



Public-Private Partnership Fires Up Young Entrepreneurs



GEP mentors and Indonesian mentees had fun in Jakarta. *Courtesy of GEP*

When 12 U.S. entrepreneurs, investors and officials arrived in Cairo in January 2011 to connect with budding entrepreneurs, the revolution was just unfolding. “Many of those we met shut their laptops ... to march through the streets throughout Egypt,” according to a blog by members of the U.S. delegation, Seth Goldstein and Christopher Schroeder.

While the timing of the delegation was coincidental, the purpose of its many activities — to help release the entrepreneurial energy of young Egyptian innovators — complemented events in Tahrir Square.

The U.S. Department of State Global Entrepreneurship Program (GEP), along with local partners, organized training and networking sessions for young Egyptian entrepreneurs.

GEP, launched by Secretary of State Hillary Rodham Clinton in 2010, is designed to leverage U.S. expertise and resources to promote entrepreneurship around the world, with an initial focus on Muslim-majority countries. More than 120 U.S. and overseas partners — corporations, investors, universities and nongovernmental groups — are part of GEP, including Google Inc., Stanford University and the Angel Capital Association.

Businesses Can Grow Like Weeds

Serial entrepreneur Steven Koltai, who headed GEP until mid-2011, estimates that so far the program has reached 10,000 entrepreneurs and startup teams.

Koltai compares entrepreneurs to crab grass, a sturdy plant that grows even through cracks in a sidewalk.

To till the earth for a flower bed of startups, as Koltai puts it, GEP teams have traveled to Jordan, Lebanon, Egypt, Indonesia, Tunisia, Algeria, Morocco and Turkey. Lorraine Hariton, who developed the program and led several delegations, said the focus is on high-growth businesses that create most jobs. Hariton is special representative for commercial and business affairs at the State

Egyptian Wael Ghonim of Google Inc., who organized the online campaign that helped spark the Arab Spring, talks to the crowd in Tahrir Square. © AP Images



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Department. Together with local partners, GEP devises a path for each country; it usually starts with a business plan competition to identify promising local entrepreneurs. Winners not only get cash or paid-for trips to U.S. business incubators, or both, but also evaluations by entrepreneurs and investors from Silicon Valley.

The evaluation “alone had a [positive] impact on our startup morale,” said Moroccan winner Yassine El Kachchani, who developed a mobile-phone application for restaurants.

Winning also gives startups publicity and acts as a magnet for investors, partners and others. “It showed I have developed a real, concrete product,” said Egyptian Haytham ElFadeel, who won for a semantic Internet search engine.

GEP delegation visits have led to concrete investments. In Egypt, six finalists received seed capital from members of the U.S. delegation. In Jordan, Usama Fayyad of Yahoo fame launched Oasis500, a business incubator/seed venture fund. Some local investors acquire a taste for risky but high-reward ventures too. For example, Sawari Ventures launched a \$50 million venture capital fund designed to invest in early-stage Egyptian technology companies.

An Entrepreneurial Ecosystem

GEP’s goal is to create a robust local entrepreneurial ecosystem. Local business climates can develop to support job creation and economic growth, GEP officials believe.



Youghourta Benali pitches his idea of an electronic payment system to judges. He won the main prize in the business plan competition in Algiers, Algeria. *Courtesy of GEP*

In many emerging markets, evolution toward an entrepreneurial culture already has begun, or soon will begin, said Shelly Porges, head of the program. “We count on motivated local entrepreneurs to make it happen with their energy and drive for innovation,” she said. U.S. entrepreneurs accelerate the process by bringing resources, spreading best practices and recognizing local role models.

GEP has established local programs in Egypt, Indonesia and Turkey, creating positions of Entrepreneurs in Residence. The first such adviser — in Egypt — was instrumental in putting together an entrepreneurship boot camp in 2011. Seasoned businesspeople mentored 38 Egyptian entrepreneurs in preparation for a business plan competition.

The GEP is expanding beyond Muslim-majority countries. It wants to connect U.S. embassies that sup-

port entrepreneurial activities to GEP’s partners and enhance related programs, such as mentor-mentee online matching services, angel networks of private investors to fund startups, and links between U.S. and local business incubators.

According to Porges, young people almost everywhere are prone to start businesses, are well connected to each other and are aware of the latest technologies. “We want to help them,” she said.

For more information see:



Global Entrepreneurship Program
<http://goo.gl/jlt2Y>



Entrepreneurship Toolkit
<http://goo.gl/9AEAu>



Enterprise Development Network
<http://goo.gl/Pt25J>

